

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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DATE: May 9, 2003

FROM: KATHLEEN ROLLINGS-McDONALD, Acting Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: AGENDA ITEM 7B: Review and Adoption of Final Budget for
Fiscal Year 2003-04**

RECOMMENDATION:

1. Adopt the Fiscal Year 2003-04 Final Budget, as modified, and authorize the following actions:
 - a. Special Assignment Compensation for the Clerk to the Commission and LAFCO Secretary in the amount of a 7.5% increase over base salary for a period not to exceed six months. Application of this compensation is recommended to be retroactive to April 16, 2003; and,
 - b. Transfer \$10,672 from Contingency (Account 6000) to Termination Payments (Account 1045) to cover unanticipated costs within the Salaries and Benefits categories for the current Fiscal Year.
2. Find that pursuant to Government Code Section 56381, the programs and purposes of the Cortese-Knox-Hertzberg Government Reorganization Act of 2000 and the Commission can be met within the reduced budget proposed for Fiscal Year 2003-04.
3. Direct the Acting Executive Officer to submit to the County Auditor-Controller/Recorder the adopted Final Budget and request the apportionment of the Commission's net costs to the County, Cities and Independent Special Districts pursuant to the provisions of Government Code Section 56381.

BACKGROUND:

The Commission's annual budget process was begun at the April hearing through adoption of the Proposed Budget for Fiscal Year 2003-04. The Budget for Fiscal Year 2003-04 included an outline of the anticipated appropriations, revenues, and policy items for Commission consideration. The staff recommendation for the April hearing included the approval of the contracts for performance of an audit of the financial records of the office by the County Auditor-Controller/Recorder's office and the agreement for support from the County Information Services Department related to computer operations. In addition, the April recommendation included the direction to staff to return at the May hearing with additional information and a response to any comments received from the Cities, Independent Special Districts or the County.

Following the April hearing, the proposed budget was forwarded for comment, as required by law. During this comment period, however, the Commission's Executive Officer, James Roddy, resigned his position, which necessitates adjustments to the current year projections for salary and benefit expenses. The staff has adjusted the estimated expenditures for the current year to acknowledge the necessary payment for leave balances, etc., and the supplemental payments for the Acting Executive Officer. On the Budget Spreadsheet, all changes to the Proposed Budget have been identified by use of bold, italic type for ease of identification.

The staff is also proposing changes to the budget documents for the current and upcoming Fiscal Years. They are:

1. The staff is proposing to leave the Deputy Executive Officer position vacant for the first quarter of the new Fiscal Year, allowing for a savings of approximately \$23,000 (salary and benefits). This savings will help to offset the unanticipated costs for payment to the Executive Officer upon his resignation.

To assist in maintaining the Commission's workload, LAFCO will be receiving support from the County of San Bernardino through the temporary assignment of a Planner from the Land Use Services Department. This part-time position will assist in the compilation of information on service reviews, environmental review, etc. This will allow the Commission the opportunity to review the staffing patterns more definitively before commencing recruitment activities.

2. The staff is proposing that the Clerk to the Commission and the LAFCO Secretary be provided "Special Assignment Compensation" for the period of personnel transition. The staff is recommending that this be provided in the form of a 7.5% increase over base pay as authorized by the Terms of Employment for each employee – the cost is estimated to be \$5,325 for the 6 month period (3 months during current Fiscal Year and 3 months in Fiscal Year 2003-04). It is recommended that this Special Assignment Compensation be retroactive to April 16th for each of the positions.

3. The staff is recommending that \$10, 672 be transferred from Contingency (Account 6000) to Termination Payments (Account 1045) to accommodate the increased payments for the current Fiscal Year. This transfer is necessary since the modifications to the estimated payments would exceed the total Salary and Benefit expenditure authority within the adopted Fiscal Year 2002-03 budget.
4. The estimated expenditures for LAFCO Legal Counsel and Computer System Development have been modified. The Legal Counsel Account (No. 2400) has been modified to provide for an anticipated \$5,000 increase in costs for the current Fiscal Year. The Computer System Development Account (No. 2450) has been reduced by \$3,000 due to a reduction in costs for maintenance of the Website and office network.

With the changes identified above, the staff maintains its support for a reduction in the costs distributed to the County, Cities and Independent Special Districts. The budget spreadsheet provided, as amended, shows that the anticipated costs will maintain the programs supported by the Commission.

As of the date of this report, no comments or concerns have been expressed to the staff by any of the Cities, Independent Special Districts, or the County regarding the proposed budget as adopted at the April hearing. If comments are received following the publication of this report with the modifications as identified above, the staff will provide those to the Commission at the hearing and provide an oral response.

The budget spreadsheets (as modified), along with a narrative discussion of the line items, are attached for Commission review. The staff will be happy to answer any questions from the Commission prior to or at the hearing.

/krm

Attachments:

1. [Modified Proposed Budget Spreadsheet](#)
2. [Modified Budget Narrative](#)